

## **Senate Standing Committee on Education and Employment**

### **QUESTIONS ON NOTICE Supplementary Budget Estimates 2016 - 2017**

#### **Cross Portfolio**

**Department of Employment Question No. EMSQ16-000839**

**Senator Gallacher provided in writing.**

#### **Question**

##### **Credit and transaction cards**

1. What types of credit and transaction cards (including Cabcharge Fastcard and eTickets) does your department issue?
2. What was the total expenditure for each type of card over the last 3 financial years?
3. Can you break down the expenditure into categories?
4. What is the highest and lowest credit limit for each type of card?
5. How many times in the last 5 years has the credit limit been reviewed?
6. What are Credit Cards used for?
7. What are the Governance/probity rules for employees to follow?
8. Are cash advances allowed?
  - a) Can you list the total amount of cash advances from credit and other transaction cards over the last 3 years?
  - b) Can you provide details on the 10 largest cash advances in your department and provide particulars such as how much was accessed?
  - c) Who approves cash advances in your department in the event of paying suppliers
9. Who reviews transactions in regards to all cards?
10. Who provides assurance to the Minister in respect to probity governance and fraud control?

#### **Answer**

1. The Department issues credit cards to staff through the Whole-of-Government arrangements with Diners. These cards are linked to a Virtual Diners Card, which is primarily used for the direct booking of airfares, accommodation and car hire through Whole-of-Government travel provider (QBT).

Cabcharge and e-Tickets are only to be used in circumstances when using a departmental travel/credit card is not possible.

2. The Department was established in September 2013, and can provide full year data for 2014–15 and 2015–16.

**Credit Card Data Expenditure:**

- 2014–15 \$ 4,920,522.16
- 2015–16 \$ 4,907,310.37

**Cabcharge Expenditure:**

- 2014–15 \$ 11,893.42
- 2015–16 \$ 16,062.60

3. Credit cards are predominately used for travel and minor purchases. The expenditure for Cabcharge accounts and e-tickets is solely for the purpose of travelling in taxis. Diners provide a daily transaction data file which is uploaded to the Department's Financial Management Information System (FMIS). The FMIS records expenses by categories but to allocate the credit card expenditure into categories would require an examination of transactions and the general ledger, which would be an unreasonable diversion of departmental resources.

4. The standard MasterCard limits are \$10,000 per month, with \$2,000 per transaction limit. The Department has one credit card with a limit of \$25,000 per month and a \$10,000 per transaction limit.

5. Since the Department was established in September 2013, card limits have been reviewed twice - in July 2014 and July 2016. A business case is required for all limit increases which require approval of the Chief Financial Officer.

6. Credit cards are predominately used for travel and minor purchases. The expenditure for Cabcharge accounts and e-tickets is solely for the purpose of travelling in taxis.

7. The Department maintains a robust framework for the approval and use of corporate credit cards. To apply for a credit card an employee must:

- have a genuine business requirement approved by EL2 Manager or above;
- complete the Travel and Credit Cards eLearning program;
- complete the Fraud Awareness eLearning program; and
- complete and sign Travel and Purchasing Credit Card Personal Responsibilities form.

The Travel and Purchasing Credit Card Personal Responsibilities form requires cardholders to accept responsibilities associated with being the holder of a corporate credit card and to adhere to the Department's financial policy as well as finance law.

All expenditure is required to be approved by a delegate who is at a higher level in advance and then acquitted monthly with delegate review.

Credit card usage is centrally monitored.

For Cabcharge accounts and e-tickets, a formal guide has been issued to ensure appropriate usage and processes are followed.

8. Cash advances are allowed for incidental travel expenses and in circumstances where the traveler's delegate is satisfied that the Departmental card cannot be used. Providing employees access to a cash advance allows entitlements to be obtained more efficiently than through a manual reimbursement process. Each trip requires pre-approval by a delegate at a higher level and actual expenses are acquitted monthly with delegate approval.

a) **Table 1. – Total amount and number of cash advances.** *Data available for 2014–15 and 2015–16.*

	<b>Total Amount of cash advances</b>	<b>Total Number of cash advances</b>
2014/15	\$284,948.62	2653
2015/16	\$184,184.01	2069

b) **Table 1.1 – 10 largest cash advances by amount.** *Data available for 2014–15 and 2015–16.*

<b>Rank</b>	<b>2014/15</b>	<b>2015/16</b>
1	712.99	585.81
2	538	438.98
3	424.94	400
4	400	400
5	400	390
6	400	390
7	400	380
8	400	380
9	400	380
10	400	380

c) Cash advances to suppliers would require approval of an appropriate delegate and acquitted through standard approval processes.

9. All transactions are reviewed by each cardholder's delegate during the mandatory monthly acquittal process.

10. Responsibility for probity and fraud control relating to credit cards rests with the Secretary under the Public Governance Performance and Accountability framework. The framework requires Ministers to be informed only in the event of significant breaches of the compliance arrangements.